

## Message Text

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ACTION EUR-12

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FM AMCONSUL PALERMO

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Z.O. 11652: N/A

TAGS: PINT

SUBJECT: MEMO OF CONVERSATION WITH SOCIALIST LEADER OF SICILY

PARTICIPANTS: ON. GIOACCHINO VENTIMIGLIA (PSI - DEMARTINIANO),

REGIONAL DEPUTY: CHAIRMAN OF THE REGIONAL ASSEMBLY COMMITTEE ON  
ON PUBLIC WORKS, URBAN PLANNING, COMMUNICATION, TRANSPORT AND  
TOURISM. DAVID C. LITT, AMERICAN VICE CONSUL, PALERMO. MICHELE  
CALDERONE, POLITICAL SPECIALIST, AMCONGEN, PALERMO.

1. NATIONAL GOVERNMENT CRISIS.

THE PSI OPENED THE CRISIS BECAUSE THE MORO-LA MALFA GOVERNMENT  
SOUGHT AND OBTAINED PCI UNDER-THE-TABLE SUPPORT WITHOUT CONSULTING  
THE SOCIALISTS ON SUBSTANTIVE MATTERS. THE WITHDRAWAL OF THE PSI  
FROM THE GOVERNMENT ENABLES DE MARTINO TO INFLUENCE THE COURSE OF

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THE UPCOMING DC CONGRESS AND TO ASSUME THE POLITICAL LEADERSHIP  
IN THE COUNTRY. CONTINUED SUPPORT FOR THE GOVERNMENT WOULD HAVE  
MEANT TOTAL "EMARGINAZIONE" OF THE PSI BY THE DC AND PCI. IN THE  
MIDST OF A TERRIBLE ECONOMIC CRISIS, THE SOCIALISTS ARE FULLY AWARE  
THAT THEY ARE GAMBLING.

2. THE PSI WILL NOW PUSH FOR A REVIVAL OF ITALIAN INDUSTRY  
ENGINEERED EITHER BY A FOUR-PARTY CENTER-LEFT WITH PCI PARLIAMENTARY  
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SUPPORT OR BY A CLN-STYLE (1946 COMITATO DI LIBERAZIONE NAZIONALE)

EMERGENCY CABINET FORMED OF ALL PARTIES BUT THE MSI-DN. THE SOCIALISTS WERE DISSATISFIED WITH MORO'S ECONOMIC RELIEF PACKAGE WHICH CONSISTED OF A PIECEMEAL AND INDISCRIMINATE DISTRIBUTION OF FREE MONEY TO BIG INDUSTRY. IT WOULD HAVE ASSURED THE ECONOMY'S SURVIVAL FOR THE NEXT FEW MONTHS, BUT WOULD HAVE REQUIRED A REGULAR SHOWER OF BILLIONS OF LIRE EVERY FOUR MONTHS. INSTEAD, THE PSI IS FOR A "RICONVERSIONE E RISTRUTTURAZIONE" OF ITALIAN INDUSTRY, WITH THE ELIMINATION OF DEAD WOOD - BOTH PUBLIC AND PRIVATE. SINCE THE REGENERATION WILL HAVE TO BE FUNDED BY PUBLIC MONEY, IT IS OBVIOUS THAT MAXIMUM EMPLOYMENT PLUS PRODUCTIVE EFFICIENCY HAVE TO BE THE TOP PRIORITIES. THE PSI IS AGAINST CORPORATE PROFIT.

3. REPERCUSSIONS ON REGIONAL POLITICS

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WERE GENERAL ELECTIONS TO BE HELD NEXT SPRING, THE REGIONAL ELECTION SCHEDULED IN JUNE 1976 MIGHT WELL BE POSTPONED A MONTH OR SO. THE PSI IS NOT AFRAID OF EARLY ELECTIONS. ITS PAST ELECTORAL RECORD HAS DEMONSTRATED THAT THE PSI GAINS VOTES WHEN IT IS OUT OF OFFICE. IN CASE THE CHRISTIAN DEMOCRATS DECIDE TO GO TO EARLY NATIONAL ELECTIONS, IT IS VERY UNLIKELY THAT THEY WILL KEEP A WORKING ALLIANCE WITH THE PSI AND PCI IN SICILY. THEY WOULD CERTAINLY LIKE TO UNDO ALL TIES WITH THE SOCIALISTS, AT ALL LEVELS, AND START OVER FROM SQUARE ONE.

4. ON THE WHOLE, THE LEGISLATIVE PACT SIGNED BY THE CENTER-LEFT PARTIES WITH THE COMMUNISTS IN SICILY ON NOVEMBER 20, 1975 REMAINS THE MODEL WHICH ROME SHOULD IMMEDIATELY FOLLOW. THE OVERT CENTER-LEFT/PCI COLLABORATION IN SICILY THROUGHOUT 1975 BROUGHT TO THE ISLAND GOVERNMENT STABILITY, MODEST DC LOSSES, MODEST PCI GAINS, AND PSI VICTORY.

5. ELECTION OF A NEW MAYOR IN PALERMO

DURING THE RECENT CRISIS IN THE COMMUNE OF PALERMO, IT WAS THE INTENTION OF THE SOCIALISTS TO REPEAT AT THE COMMUNAL LEVEL THE SUCCESSFUL ACCORD WITH THE PCI AT THE REGION. IT DID NOT WORK THAT WAY. IN FACT, THE ENTRANCE OF THE PSI IN THE NEW COMMUNAL GIUNTA

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WAS NOT ENOUGH TO FILL THE GAPS CREATED BY THE DC DISSIDENTS. THE FOUR CENTER-LEFT PARTIES ELECTED A DC MAYOR AND ARE ABOUT TO ELECT A NEW GIUNTA. THEY, HOWEVER, COMPLETELY FAIL TO AGREE ON A PROGRAM OF ANY SORT. UNDER THESE CONDITIONS, THE HELP OF THE COMMUNISTS IS GOING TO BE ESSENTIAL. WHILE AT THE REGIONAL LEVEL THE PCI MERELY ENDORSED THE GOVERNMENT'S POLICY, AT THE COMMUNAL LEVEL IT IS THE COMMUNISTS WHO WILL BREATHE LIFE INTO THE NEW CENTER-LEFT GIUNTA. CHIAVARINI

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